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Leaders Representing Over 5 Million Californians Call on CPUC to Make PG&E Customer-Owned

Leaders write State's Public Utilities Commission urging to restructure PG&E into a customer-owned utility—aligning PG&E with customer interests instead of investors

San José, Calif. – A coalition of leaders from many of the largest California cities served by Pacific Gas and Electric (PG&E) sent a letter to the California Public Utilities Commission (CPUC), urging exploration of restructuring the investor-owned utility into one owned by California customers. The coalition is led by San José Mayor Sam Liccardo, whose city is the largest in California that is served by PG&E.

The leaders endorsed a proposal for a customer-owned utility ahead of a CPUC review of proposed plans for PG&E's reorganization under consideration in bankruptcy court. Federal bankruptcy code and state law require the CPUC to approve any such Plan of Reorganization for PG&E. The leaders argue that neither of the two plans currently proposed concretely address a vision for a reorganized PG&E that will adequately protect the public's interest and ensure safety, reliability, and affordability over the long-term.

Together, the Mayors and Supervisors write, "what has dominated the proceedings so far is simply a battle being waged between Wall Street titans for control of the bankruptcy process, control of the company, and the ability to control exit financing. This is merely spectacle, without regard for what will be left behind when the financial players inevitably leave the scene."

"This situation requires a full and comprehensive effort to chart a sustainable course for the future of PG&E, one that will serve the interests of its customers, and position the company to meet the challenges we will face from a changing climate."

Collectively representing over 5 million Californians, the leaders are proposing a not-for-profit, customer-owned utility for the following reasons:

1. PG&E correctly estimates it must invest tens of billions of dollars over the next decade—assets they do not have—for system hardening, wildfire protection and cyber-security:
 - a. A customer-owned PG&E can raise capital from a broad pool of debt financing at a much lower cost than a private investor-owned company.
 - b. A customer-owned utility can operate without the burdens of paying dividends to shareholders and is exempt from federal taxation. As a result, a customer-owned financial structure will save ratepayers many billions of dollars in financing costs over this next decade.

- c. A customer-owned PG&E will better focus its scarce dollars on long-neglected maintenance, repairs, and capital upgrade, and mitigating some part of the substantial upward pressure on utility rates.
2. A customer-owned PG&E will better focus its scarce dollars on long-neglected maintenance, repairs, and capital upgrade, and mitigating some part of the substantial upward pressure on utility rates.
3. The customer-owned structure would allow PG&E to begin the process of restoring public confidence, in part by allowing the public to have a greater role in determining decisions that increasingly have come to define matters of life and death. To the extent that the public continues to believe that that an investor profit motive has dominated PG&E's decision making, the enterprise will never regain the trust of its customers, its regulators, and public policy-makers. It is time to pass control of the company from geographically distant investors to its California customers.

The signatories of the letter are:

- Mayor Sam Liccardo, City of San José
- Mayor Darryl Steinberg, City of Sacramento
- Mayor Libby Schaaf, City of Oakland
- Mayor Michael Tubbs, City of Stockton
- Mayor Ted Brandvold, City of Modesto
- Mayor Steve Ly, City of Elk Grove
- Mayor Barbara Halliday, City of Hayward
- Mayor Larry Klein, City of Sunnyvale
- Mayor Jesse Arreguin, City of Berkeley
- Mayor Tom Butt, City of Richmond
- Mayor Drew Bessinger, City of Clovis
- Mayor Randall Stone, City of Chico
- Mayor Julie Winter, City of Redding
- Mayor Ian Bain, City of Redwood City
- Mayor Brett Lee, City of Davis
- Mayor Martine Watkins, City of Santa Cruz
- President Carole Groom, San Mateo County Board of Supervisors
- Chair Ryan Coonerty, Santa Cruz County Board of Supervisors
- Chair Kate Sears, Marin County Board of Supervisors
- Chair Don Saylor, Yolo County Board of Supervisors
- Chair Mark Medina, San Benito County Board of Supervisors
- Mayor Teresa Barrett, City of Petaluma
- Mayor Heidi Harmon, City of San Luis Obispo
- Mayor Dominic Foppoli, City of Windsor
- Mayor Jack Dilles, City of Scotts Valley
- Mayor Amy Harrington, City of Sonoma
- Mayor John Dell'Osso, City of Cotati

The full letter can be found [here](#).

Mayor Liccardo, San José

“With a customer-owned PG&E, we can align the company’s financial interests with the public interest, and restore reliable, safe utility service for our residents and businesses. I stand with local leaders representing more than 5 million Californians urging the company’s transformation, to put PG&E’s days of underinvestment, mismanagement, and negligence behind us.”

Mayor Libby Schaaf, Oakland

“Every resident in California deserves a reliable utility to deliver power safely and consistently. It’s time to remove PG&E’s investors from our process and take back control for us, the customers. Rather than reorganizing a failed company, I support exploring a new customer-owned utility, that prioritizes people over profits and creates a safe, consistent, power supply for all residents.”

Mayor Darrell Steinberg, Sacramento

“It is important to consider all options as we seek to balance the need to keep Californians safe while avoiding unacceptable mass disruptions in power,” said Mayor Darrell Steinberg. “Public ownership is an option worth seriously examining.”

Mayor Steve Ly, Elk Grove

“The proposal’s intent is to allow the public to have a greater role in decisions that have come to define matters of life and death. Additionally, this structure will provide an opportunity for PG&E to begin the restoration of public trust. The time has come to pass control of the company from remote investors to its local customers.”

Mayor Tom Butt, Richmond

“The current model for providing gas and especially electric services is simply not working. We need to explore alternatives. Many critical services, such as water, wastewater, fire, police, and transportation are successfully provided by public agencies or public-private partnerships.”

Mayor Michael Tubbs, Stockton

“With continued blackouts, this literally dark period is an opportunity to restructure PG&E by placing control of our power grid into the hands of our residents. Creating a customer-owned entity allows us to put people ahead of profits, safety ahead of dividends and local control ahead of corporate rule.”

Mayor Martine Watkins, Santa Cruz

“As our cities suffer under PG&E’s mismanagement, and California burns, it’s high time we pave a different path. I join my colleagues across northern California in urging the CPUC to transform PG&E into a customer-owned utility.”

Chair Ryan Coonerty, Santa Cruz County Board of Supervisors

“PG&E's focus needs to be on the health and vitality of Californians, not corporate profits. The people of California need to come first and that will never happen if PG&E is captured by hedge funds and investors. A customer-owned utility will properly align values and investment for the good of our communities.”

Mark Landman, Cotati Councilmember

“It’s time to stop paying credit card rates on fixing the grid. A customer-owned utility will help us afford to repair PG&E’s decades of neglect.”

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